



Joint Dispatch and Fuel Customer Savings

## Joint Dispatch and Fuel Customer Savings

- Customer savings from the merger calculated as up to \$695 million over five-year period
  - Fuel procurement savings – \$ 331 million
  - Joint dispatch savings – \$ 364 million
- Guaranteed \$ 650 million in customer savings over five years
  - Additional 18 months allowed if coal volumes and savings are not achieved over five years
- Additional ~\$ 37 million in customer savings with settlements
- Joint dispatch is the most complex of the customer savings initiatives
- Customer savings through January 2014 are \$ 235 M
  - Fuel procurement savings - \$ 154 M; JDA savings - \$ 81 M

# Customer Savings by Category

Joint Dispatch and Fuel Merger Savings through January 2014

	<b>Merger-to-Date (\$ millions)</b>
Joint Dispatch	\$ 81.4
Coal Blending	\$ 77.7
Coal Commodity	\$ 26.0
Natural Gas/Oil	\$ 24.6
Coal Transportation	\$ 18.2
Reagents	\$ 5.1
Coal By-Products	\$ 0.9
Avoided Natural Gas Desk	\$ 0.7
Nuclear Fuel	\$ 0.4
<b>Total</b>	<b>\$ 235</b>

# Coal Blending Testing is Well Ahead of the Plan

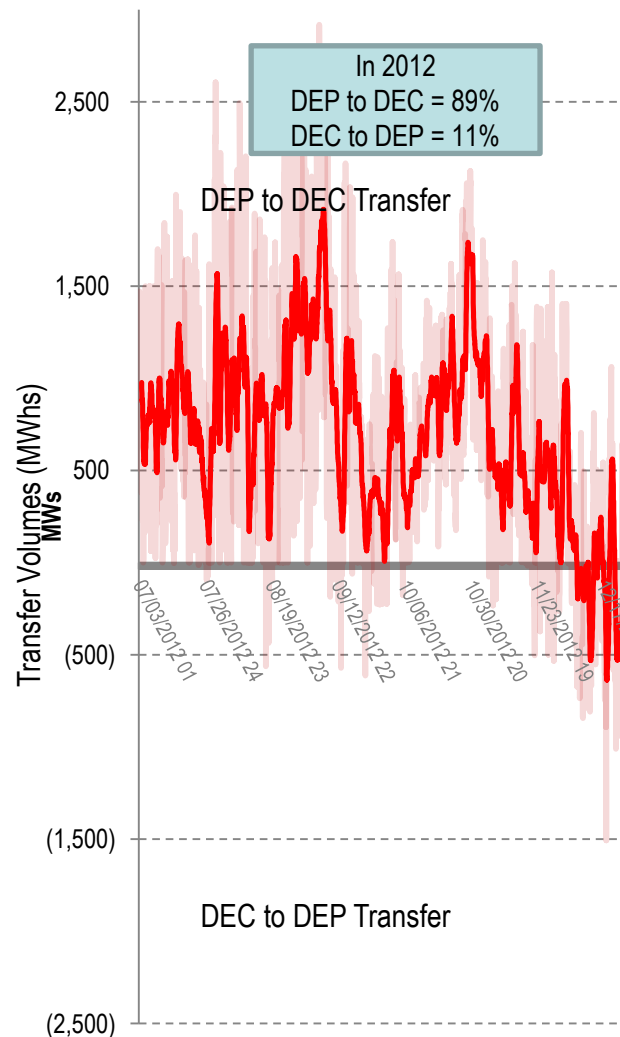
	Dec-12	2013	2014	2015	2016	2017
Belews Creek NAPP Plan	10%	25%	35%	35%	35%	35%
<i>Belews Creek NAPP Actual</i>	35%	50%	50%	50%	50%	50%
Marshall NAPP Plan	30%	40%	40%	55%	55%	55%
<i>Marshall NAPP Actual</i>	50%	60%	70%	70%	70%	70%
Allen ILB Plan	50%	50%	50%	50%	50%	50%
<i>Allen ILB Actual</i>	50%	100%	100%	100%	100%	100%
Cliffside 5 NAPP Plan	50%	50%	50%	50%	50%	50%
<i>Cliffside 5 NAPP Actual</i>	100%	100%	100%	100%	100%	100%
Cliffside 6 NAPP Plan (> 6# SO2)	0%	0%	0%	50% *	50% *	50% *
<i>Cliffside 6 NAPP Actual (&gt; 6# SO2)</i>	0%	0%	0%	0%	0%	0%

(\* Blending System Installed)

	Under Testing
	Certified
	Future Plan

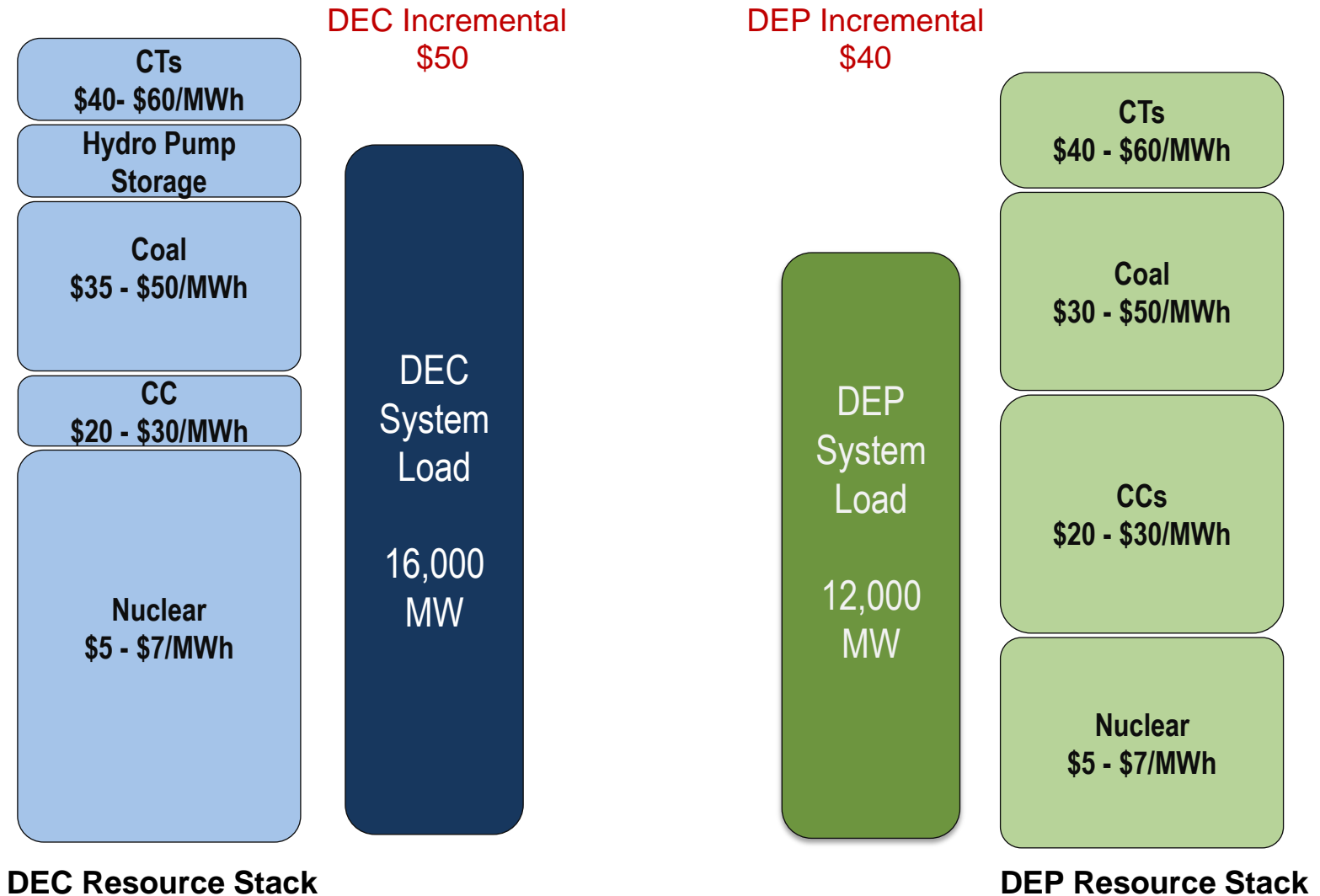
# JDA Merger Savings Calculation Transfer Volumes

July 3 2012 to January 31 2014



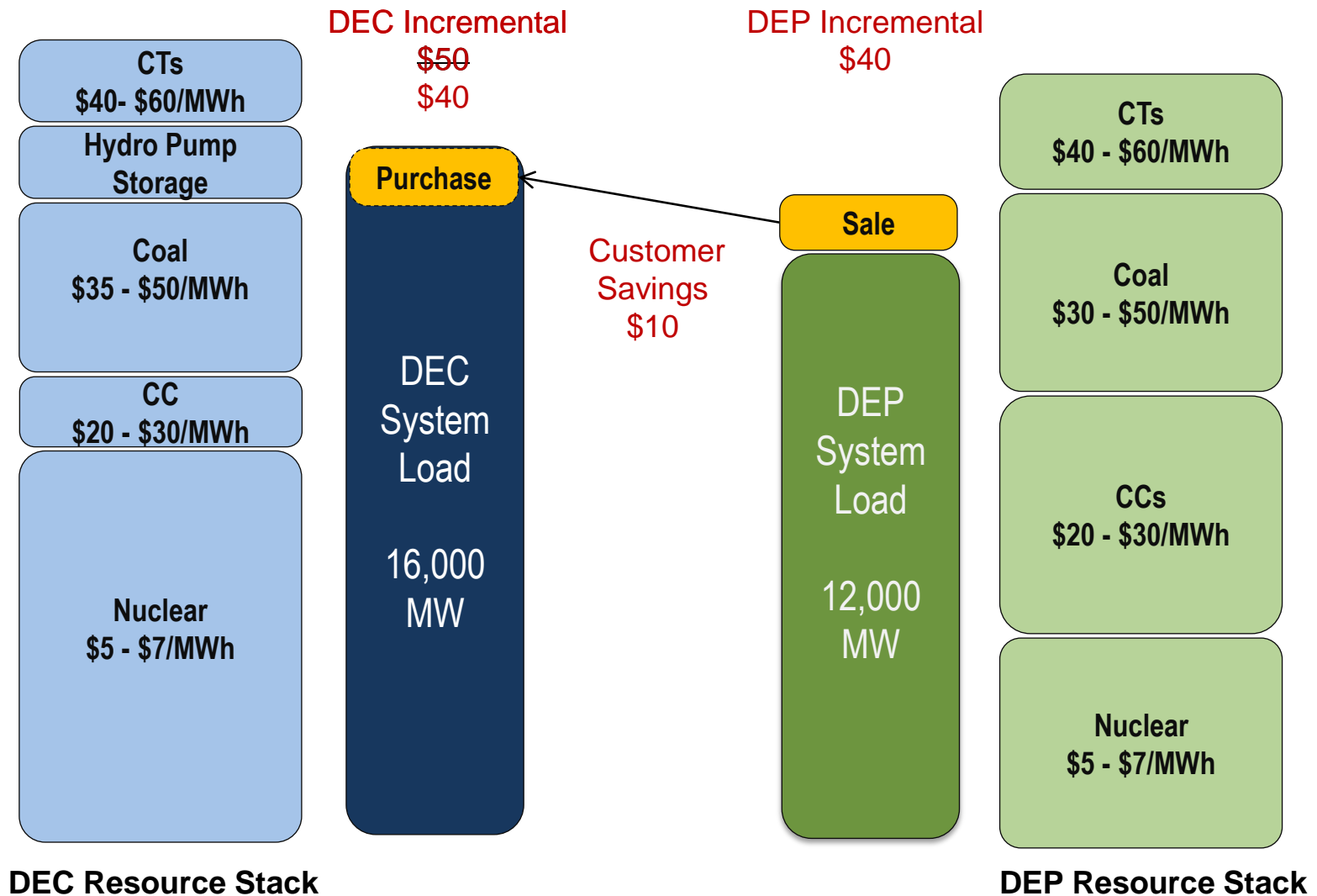
# Stand-Alone Utility Load and Resources

## Incremental Dispatch Stack in Fall 2012



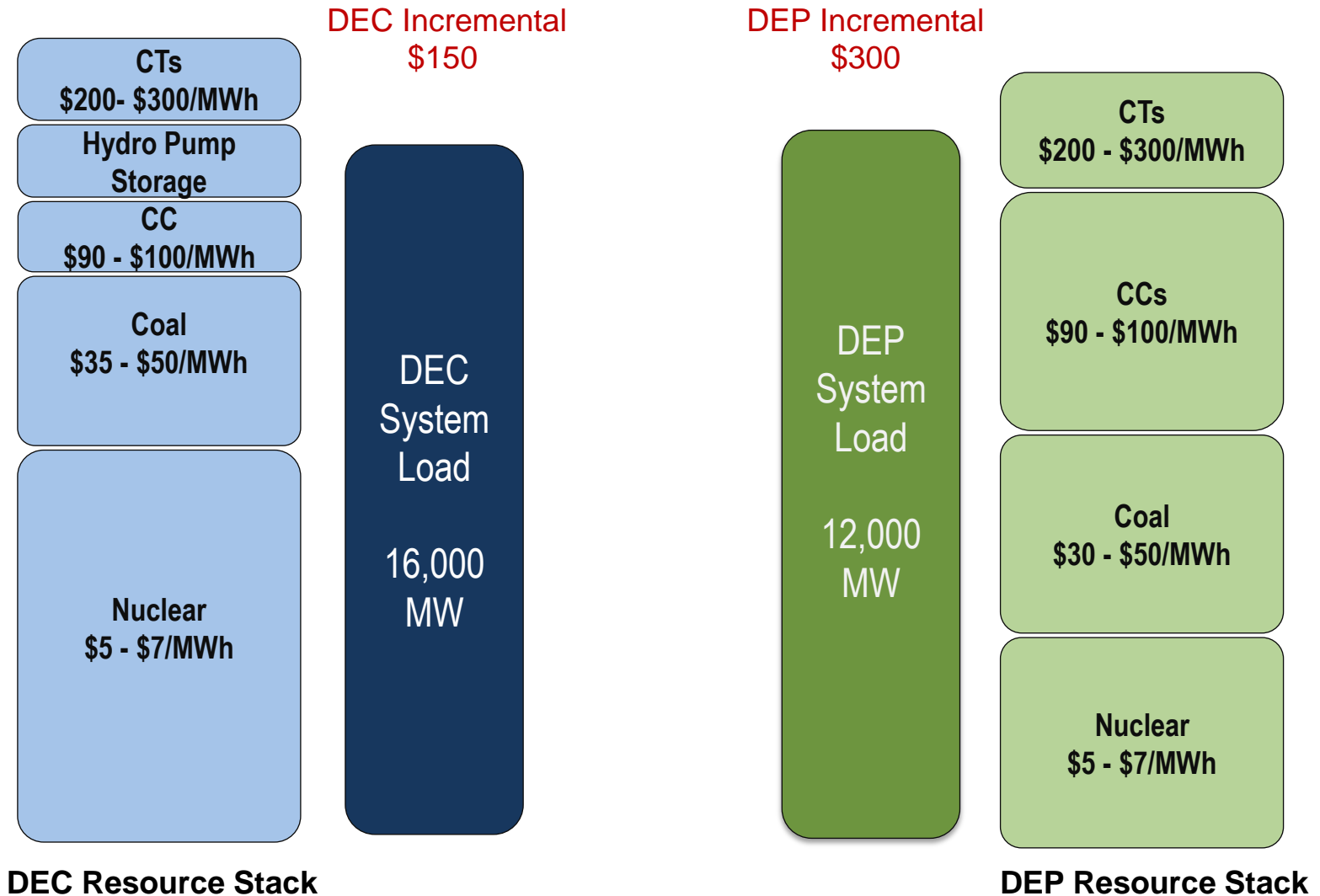
# Joint Dispatch of Generation Resources

## Incremental Dispatch Stack in Fall 2012



# Stand-Alone Utility Load and Resources

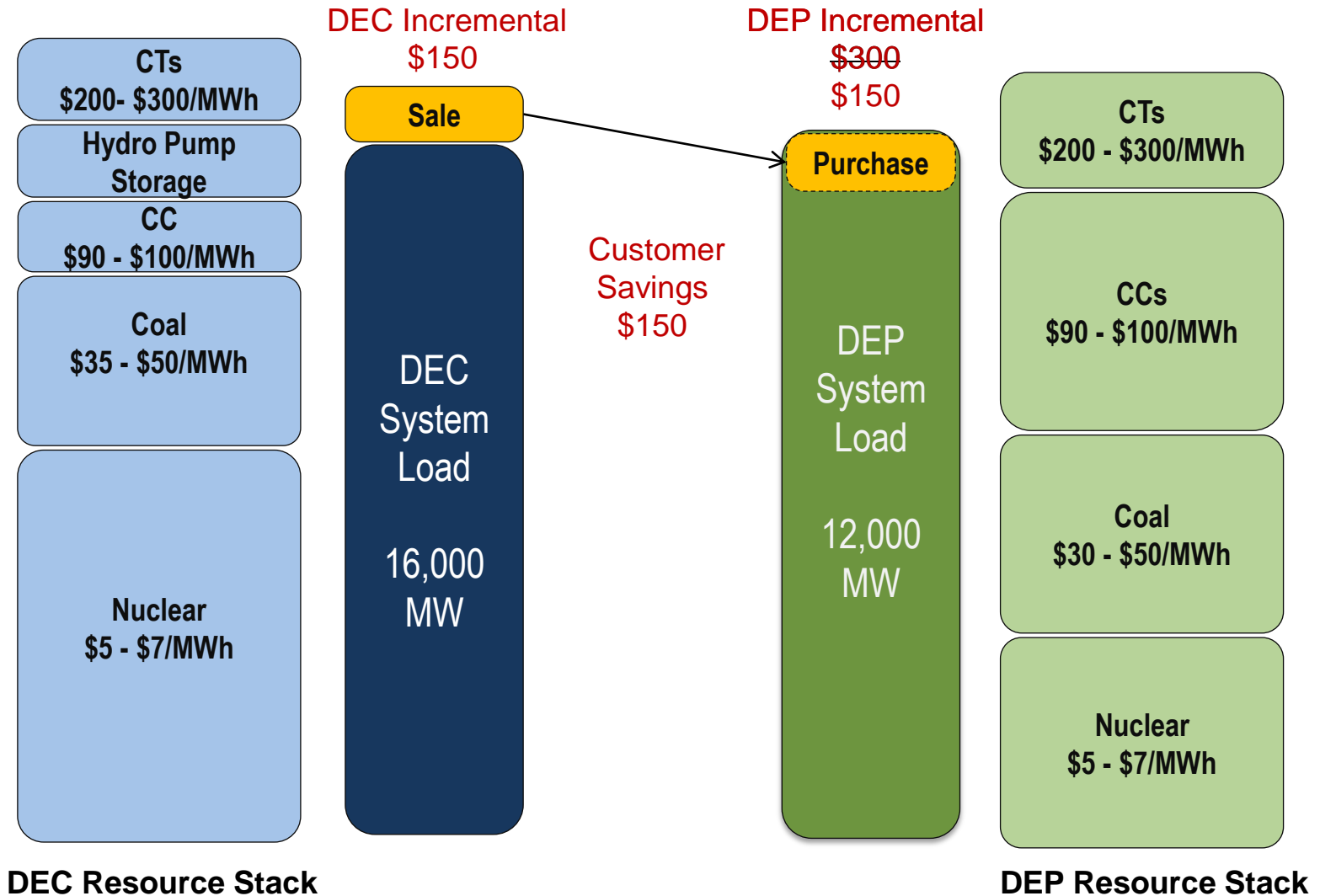
## Incremental Dispatch Stack in Winter 2014





# Joint Dispatch of Generation Resources

## Incremental Dispatch Stack in Winter 2014



## Summary

- Joint dispatch is operational and generating savings
  - Continue to improve the joint dispatching of the combined fleet
  - Joint dispatch value is enhanced with large price deltas during winter weather
- Fuel savings are continuing to ramp up
  - Equipment upgrades to increase coal blending are scheduled for various plants
  - Nuclear fuel merger savings are beginning to provide customer savings